



## Comparison of PERA's Ideal Plan and Legislative (Tier 2) Plan State General Member Coverage Plan 3

Factors attributable to reducing the overall cost of PERA's Ideal Plan are:

- ✓ Reduced pension factor
- ✓ Increase in age and service credit for retirement eligibility
- ✓ Cost-of-Living Adjustment (COLA) calculation tied to CPI

<b>Proposed Plan State General Member Plan – PERA's "Ideal" Plan</b>	<b>Current Plan State General Member Plan – Tier 2 30-Year Retirement Plan</b>
<b>Members</b>  All State General Members <b>hired after June 30, 2010</b>  <i><b>Including</b></i> Peace Officers (Special Investigators for the Dept. of Public Safety Motor Transportation Officers for the Department of Public Safety, Juvenile Corrections Officers)	<b>Members</b>  All State General Members <b>hired on or after July 1, 2010</b>  <i><b>Excluding</b></i> Peace Officers (Special Investigators for the Dept. of Public Safety Motor Transportation Officers for the Department of Public Safety, Juvenile Corrections Officers who remain in 25-year retirement plan)
<b>Pension Factor</b>  2.5%	<b>Pension Factor</b>  3.0%
<b>Employee Contribution</b>  7.0%	<b>Employee Contribution</b>  10.67%
<b>Employer Contribution</b>  14.0%	<b>Employer Contribution</b>  13.34%

<b>Proposed Plan State General Member Plan – PERA’s “Ideal” Plan</b>	<b>Current Plan State General Member Plan – Tier 2 30-Year Retirement Plan</b>
<b>Retirement Eligibility</b>  Age 55 with the sum of age and service equal to 85 (Rule of 85)  Age 60 with 25 years of service credit  Age 65 with 5 years of service credit	<b>Retirement Eligibility</b> Any age if the sum of the member’s age and years of service credit equals at least 80 (Rule of 80)  Any age and 30 or more years of service credit  Age 67 or older with 5 or more years of service credit
<b>Pension Calculation</b>  Pension Maximum - 90% of Final Average Salary after 36 years of service credit  2.5% pension factor x 36 years = 90% Final Average Salary	<b>Pension Calculation</b>  Pension Maximum - 80% of Final Average Salary after 30 years of service credit  3% pension factor x 26.6667 (26 yrs 8 mos) = 80% Final Average Salary (work an additional 3 yrs 2 months for no additional benefit)
<b>Cost-of-Living Adjustment (COLA)</b>  Prior year’s benefit increased by 75% of the change in CPI with a 0% floor and a 3% maximum increase.	<b>Cost-of-Living Adjustment (COLA)</b>  3% after 2 full calendar years of retirement or 1 calendar year if retired at age 65 or older.

Final Average Salary is the average of the highest 36-consecutive months of salary.